



TAIWAN SEMICONDUCTOR MANUFACTURING CO., LTD.
UNAUDITED AND UNCONSOLIDATED INCOME STATEMENT

For the 3 Months Ended June 30, 1998 and 1997

(Expressed in Millions New Taiwan Dollars(NTD) and U.S. Dollars(USD) ⁽¹⁾,

Except for Per Share Amounts and Shares Outstanding)

	3 months ended June 30					Sequential Comparison				
	2Q 1998		% of	2Q 1997	YOY	2Q 1998		% of	1Q 1998	QOQ
	USD	NTD	Sales	NTD	Chg %	USD	NTD	Sales	NTD	Chg %
Net Sales	351	11,601	100.0%	9,283	25.0%	351	11,601	100.0%	15,736	-26.3%
Cost of Sales	-191	-6,304	-54.3%	-5,368	17.4%	-191	-6,304	-54.3%	-7,505	-16.0%
Gross Profit	160	5,296	45.7%	3,915	35.3%	160	5,296	45.7%	8,231	-35.7%
Operating Expenses										
General and Administrative Expenses	-12	-385	-3.3%	-343	12.3%	-12	-385	-3.3%	-366	5.2%
Selling and Marketing Expenses	-9	-283	-2.4%	-280	1.1%	-9	-283	-2.4%	-555	-49.0%
Research and Development Expenses	-24	-798	-6.9%	-542	47.3%	-24	-798	-6.9%	-601	32.7%
Total Operating Expenses	-44	-1,466	-12.6%	-1,165	25.9%	-44	-1,466	-12.6%	-1,522	-3.7%
Income from Operations	116	3,830	33.0%	2,750	39.3%	116	3,830	33.0%	6,709	-42.9%
Non-operating Income	5	171	1.5%	227	-24.4%	5	171	1.5%	461	-62.8%
Non-operating Expenses	-34	-1,125	-9.7%	-143	686.5%	-34	-1,125	-9.7%	-637	76.7%
Income before Income Tax	87	2,876	24.8%	2,834	1.5%	87	2,876	24.8%	6,533	-56.0%
Income Tax Credit	27	876	7.6%	707	24.0%	27	876	7.6%	414	111.7%
Net Income	113	3,753	32.3%	3,540	6.0%	113	3,753	32.3%	6,947	-46.0%
Diluted Earnings Per Ordinary Share ⁽²⁾	0.02	0.62		0.59	6.0%	0.02	0.62		1.15	-46.0%
Earnings Per ADR	0.09	3.10				0.09	3.10		5.74	
Shares Outstanding		6,047,176		4,081,300	48.2%		6,047,176		6,047,176	0.0%

Note (1) : New Taiwan dollars have been translated into U.S. dollars at the weighted average rate of NTD 33.07 per U.S. dollars for the second quarter of 1998.

Note (2) : Earnings per share for the three months ended June 30, 1997 have been restated to reflect a 48% stock split in June 1998.